

April 9, 2014

The Public Service Commission convened in the Commission Hearing Room, State Capitol, Bismarck, North Dakota, on April 9, 2014, 10:30 a.m. Present were Commissioners Kalk and Fedorchak. Commissioner Christmann participated by telephone.

Minutes

Mr. Kalk: I move the minutes of March 26, 31, 2014 be approved.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Blaster Re-Certification
Approval

Mr. Kalk: I move the Commission approve blaster re-certification for the following applicants:

<u>No.</u>	<u>Applicant</u>	<u>Affiliation</u>	<u>Certificate No.</u>
1.	Paul Grossman	Freedom Mine	87-03-121-R(10)
2.	Darin Rudland	Freedom Mine	08-05-303-R(2)
3.	Delton Lawson	Freedom Mine	85-08-037-R(10)
4.	Jason Downing	Freedom Mine	11-01-244-R(1)
5.	Brent M. Lipelt	Freedom Mine	08-05-301-R(2)
6.	Tim Johansen	Freedom Mine	99-10-235-R(2)

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. AU-14-139
Schrader Real Estate and
Auction Co., Inc.
Auction Clerk
License Application

Mr. Kalk: I move the Commission approve the auction clerk license application for Schrader Real Estate and Auction Co., Inc., Columbia City, Indiana.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-13-199
Montana-Dakota Utilities Co.,
a Division of MDU
Crescent Point Energy U.S. Inc.-
Divide County
Public Convenience & Necessity

Mr. Kalk: I move the Commission rescind the motion from February 26, 2014 and re-issue an application fee refund to Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., in the amount of \$19,769, Case No. PU-13-199.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-13-551
Great Plains Natural Gas Co.
Hwy 13 Extension Surcharge &
Dekatherm Billing
Tariff

Mr. Kalk: I move the Commission suspend Great Plains Natural Gas Co.'s Natural Gas Service Tariff, Case No. PU-13-551.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-08-797
Sequoia Energy US Inc.
150MW Border Winds Energy Project -
Rolette County
Siting Application

Mr. Kalk: I move the Commission Adopt the Order Reissuing and Amending Certificate in the applications for amendment and transfer of Site Certificate No 21 from Sequoia Energy US, Inc. to Border Winds Energy, LLC, Case Nos. PU-08-797 and PU-14-31.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-14-31
Sequoia Energy US Inc./
Border Winds Energy, LLC
Transfer of Site Certificate
Siting Application

Case No. PU-11-696
Basin Electric Power Cooperative
345 kV Trans. Line - Mercer, Dunn,
McKenzie, Williams Counties
Siting Application

HOLD OVER

Case No. PU-14-105
Sunflower Wind Project, LLC
Wind Energy Conversion Facility -
Stark and Morton Counties
Siting Application

Mr. Kalk: I move the Commission deem the application complete and issue a Notice of Filing and Notice of Hearing in the application of Sunflower Wind Project, LLC for a certificate of site compatibility to construct a proposed 110 MW Sunflower Wind Energy Project in Stark and Morton Counties of North Dakota, Case No. PU-14-105.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-14-121
Allete, Inc.
250kV DC Trans. Line Reroute –
Cass County
Siting Application

Mr. Kalk: I move the Commission deem the applications complete and issue a Notice of Filing and Notice of Opportunity for Hearing in the applications of ALLETE, Inc. for a waiver of procedures and time schedules, a corridor certificate and a route permit authorizing the reroute 0.7 miles of 250 kV DC Electric Transmission Line in Cass County, North Dakota, Case No. PU-14-121.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-12-186
BNI Coal, Ltd.
Revision 12, Permit BNCR-9401
Approval

Mr. Christmann: I move the Commission conditionally approve Revision No. 12 to Surface Coal Mining Permit No. BNCR-9401 held by BNI Coal, Ltd. for the Center Mine to add 181.54 acres to the permit and to update the appropriate sections of the permit for mining related activities on the additional acreage.

Mr. Kalk: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-13-895
Coteau Properties Company
Revision 16 to Permit No. NACT-0201
Approval

Mr. Christmann: I move the Commission approve Revision No. 16 to Surface Coal Mining Permit No. NACT-0201 held by The Coteau Properties Company for the Freedom Mine, to identify the next five year coal removal areas and update mining and reclamation plans and other sections of the permit for the next permit term.

Mr. Kalk: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-13-896
Coteau Properties Company
Renewal No. 2 for Permit No.
NACT-0201
Approval

Mr. Christmann: I move the Commission approve Renewal No. 2 to Surface Coal Mining Permit No. NACT-0201, held by The Coteau Properties Company for the Freedom Mine, to extend the permit term on the existing permit area for another five years, until April 14, 2019.

Mr. Kalk: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-14-48
Concord Grain, LLC
Roving Grain Buyer - Aberdeen, SD
License Application

HOLD OVER

Case No. PU-13-803
Montana-Dakota Utilities Co.,
a Division of MDU Resources
Natural Gas Service Rate Increase
Application

Ms. Fedorchak: I move the Commission adopt the Order on Rate Design in Montana-Dakota Utilities Co.'s, a Division of MDU Resources Natural Gas Service Rate Increase application, Case No. PU-13-803.

Mr. Christmann: I second the motion.

Roll Call: Kalk "Naye."

Christmann "Aye".

Fedorchak "Aye".

Dissenting Opinion

Commissioner Brian P. Kalk

April 9, 2014

Dissenting Opinion

I dissent from the majority decision. The decision insufficiently addresses information in the record provided by an interested party. The appropriate rate design in this case is a fixed charge for residential service of \$0.44 per day, or approximately \$13.60 per month, not the amount ordered by the majority.

At the hearing, a representative of the American Association of Retired Persons (AARP) testified on behalf of AARP. Generally, the AARP requested that the Commission not implement the full fixed charge increase and continue some volumetric charge for recovery of fixed costs. AARP reasoned that such action

Dissenting Opinion Continued

would mitigate the impact of the increase and permit a larger portion of a residential customer's bill to benefit from conservation efforts.

When asked what fixed charge increase AARP would find acceptable, the AARP representative responded that the customer charge should move half-way between where it is now and full recovery. Moving the fixed charge half-way to full recovery results in a fixed charge for residential customers of \$0.44 per day, or approximately \$13.60 per month.

It is important that the Commission recognize the efforts of persons and organizations who take an interest in our cases. When an interested party makes a request and provides good rationale for its position, the Commission should meet that request when possible.

A fixed charge for residential service of \$0.44 per day, or approximately \$13.60 per month, moves MDU toward recovery of more of the costs of distribution through a fixed charge, is supported by the record, and consistent with the practices of other regulated utilities in the state.

Brian P. Kalk
Chairman

Case No. GS-14-123
Aevenia, Inc.
Damage Prevention Enforcement

Mr. Kalk: I move the Commission appoint Aaron Morman as advocacy staff effective March 18, 2014, in the Public Service Commission damage enforcement action concerning Aevenia, Inc., Case No. GS-14-123.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-14-138
Rocky Mountain Contractors, Inc.
Damage Prevention Enforcement

Mr. Kalk: I move the Commission appoint Julie Prescott as advocacy staff effective March 25, 2014, in the Public Service Commission damage enforcement action concerning Rocky Mountain Contractors, Inc., Case No. PU-14-138.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-13-136
Hiland Crude, LLC
Crude Oil Pipeline, McKenzie,
Williams, Mountrail Counties
Siting Application

Mr. Kalk: I move the Commission retain Mitchell D. Armstrong and Brian Schmidt to provide legal services to assist the Commission in processing Hiland Crude, LLC, Crude Oil Pipeline, McKenzie, Williams, and Mountrail, Siting Application, Case No. PU-13-136.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-14-135
Belle Fourche Pipeline Company
10-Inch Crude Oil Pipeline –
Billings, Dunn, Stark Counties
Siting Application

Mr. Kalk: I move the Commission retain Mitchell D. Armstrong and Brian Schmidt to provide legal services to assist the Commission in processing Belle Fourche Pipeline Company, 10-Inch Crude Oil Pipeline - Billings, Dunn, and Stark, Siting Application, Case No. PU-14-135.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

ATTEST

THE COMMISSION ADJOURNED AT 11:41 A.M.

Executive Secretary

BRIAN P. KALK, CHAIRMAN